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ABSTRACT

The traditional separation of the worlds of work and family, reflected in the sociologies of Parson and Weber, is changing due to alterations in demographic, economic, and corporate conditions. Corporate interest and involvement in providing various family support benefits to employees has recently increased. Day care is being discussed in personnel offices, at bargaining tables, and in employee lounges and corporate board rooms. Child care, in some corporate sectors such as hospitals, is viewed as a recruitment tool or as a way of reducing absenteeism and employee turnover. Whether or not the provision of child care services is always in the self-interest of corporations is an open question, since program evaluation studies rarely have been made. Corporate managers should recognize that other kinds of supports in addition to child care may be needed by working parents, depending on the unique characteristics of the communities to be served. Employers may respond to the needs of working parents by providing services, information, and financial assistance, and by allowing employees more flexibility with schedules. The remainder of this presentation describes innovative programs set up as benefits by many different employers to meet the needs of employees in each of the four areas indicated above. In addition, suggestions are offered for making policy decisions and implementing benefits supporting employed parents. (RH)

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ON THE FRINGE OF BENEFITS: CHILD CARE AND CORPORATIONS

Text of Keynote Address by
Dana Friedman
Carnegie Corporation

at the conference
Child Care and Corporations: Options for the 80's
Madison, WI
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My guess is that for many of you, this is a new topic: the issue of family and work, and talking about them in the same sentence; the provision of family supports at the workplace, and changes in benefits, and working conditions and work policies to support working parents. It was also new to me 3 years ago. Well it's not new to society, and I'll tell you a little of the history in a while.

In child care literature, the involvement of corporations has been termed a "miniature curiosity." Please know that I do change my remarks, but the best indication I have that this is no longer the case is that this is my 34th conference in the last year on the subject, in some 22 states. Day care is a word that is being uttered in personnel offices, bargaining tables, employee lounges, and corporate board rooms. There have been articles in Business Week, Forbes, Money magazine, INC, and Harvard Business Review. It did finally hit the front pages of the Wall Street Journal and even my father said: "OK, OK. I believe it's happening."

I called The Employee Benefits Research Institute a year and a half ago and said "Do you know of any companies that are doing interesting things?" and I really did get laughed at. They said "Don't you know we're in the middle of a recession?" Last Tuesday I attended a conference in Washington sponsored by the Employee Benefits Research Institute on a topic called....Family Benefits.

The American Management Association, The American Society for Personnel Administrators, benefit consulting firms, management consulting firms, schools of business administration, family therapists--everyone's getting a little bit into the act.

I'm reminded a little bit of John Jacob Aster who is reputed to have been sitting at the bar during the sinking of the Titanic and said "You know, I asked for ice, but this is ridiculous!"

My question is: Why is it now happening, and why not before? I'm going to talk about the Venn diagram of family and work, and the extent to which they overlap. Why have they been separate? I think that part of the denial of the link between family and work on the part of employers is due to an over-reaction to an earlier over-involvement in the lives of employees' families.

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During the turn of the century, there was a period of welfare capitalism. Such employers as H. J. Heinz and National Cash Register Company were so concerned about their employees they were sending monitors into their employees' homes to check that they had proper lighting and that they were serving nutritious meals. They overdid it just a bit, and I think there's been concern about paternalism.

Modern Parsonian Theory held that the separation of work and family was necessary to the smooth functioning of each. The belief was that their respective standards were in conflict. Where family moved on mores, values and emotions, the corporation was motivated by more objective criteria. Max Weber, the architect and prophet of the modern bureaucracy, asserts that the more perfectly bureaucracy is dehumanized, the more completely it succeeds. Rosabeth Moss Canner describes bureaucracy as the true and passionless organization.

Why can that no longer remain so? There are a couple of changes that I think account for that in the family, in the community, and in the corporate world itself.

First, the family. The most significant change, I think, is the fact of women working. Half the labor force is now women. That is a 40% increase just since 1967. Sixty percent of the mothers with school age children are working. Forty-two percent of mothers with children under six are working. Thirty-three percent of the mothers with children under age three are in the work force. From children's perspective, 38% of children under the age of six have mothers in the work force.

There is also the rising divorce rate. That means that many of these women, these mothers, are single heads of households. Eighty percent of the divorced mothers head their own families. Another astounding statistic: 50% of all children born in the 1970's will at some point live in a single parent household by the time they are 18, by virtue of separation, divorce or death.

Where two spouses exist, both are working. You've got the two-career family, and two-wage earner family--an important distinction, and something to keep in mind. There is a great difference between two parents who are working, one who's a waitress and one who is a gas station attendant, vs. the family with two parents, one being a doctor, the other a lawyer. The resources these two different types of families have at their disposal for solving their problems, however similar their conflicts may be, are very different.

Most of these people are working out of economic necessity. Fifty-two percent of families with working wives moved out of poverty as a result of the wife's earnings. I want to impress upon you the fact that I do not believe that this is a woman's issue. There is some reality to who has responsibility for children, but I do think it's a parents' issue. The Kramerization of fathers has just begun. I think that in due time it will continue, but it's taking off slowly.

Another change in the family: We're seeing declining fertility, and what that means is there is a reduction in family size, which means that you have fewer older siblings to take care of the younger children. You have an extended family that is less available: some mobility, but more importantly you have older people who are working, and where they're not, it's usually because they are not able to take care of children for 10 hours a day. Consumer surveys have shown that while relative care may be the most preferred form of care, [illegible] used for eight hours a day.

What that means is that you've got families who are less able to rely on themselves to provide for the care of their children. Where do they turn? They turn to the community.

Well, Title I, the Child Care Food Program, Head Start, Title XX, WIN, AFDC, you may not know what these are, but neither does David Stockman. They are just cutbacks--there are fewer public subsidies to support the programs that these families need. While at the same time we've got a decrease in the supply of family supports, we've got an increase in demand. I don't know whether that's supply side economics, but it's pretty clear that it doesn't work, and I think that's the primary reason why more and more people are bringing their family concerns to work. They can't turn to the community, and so there's a problem at work.

What are the changes in work that are also heralding some of these trends of not being able to separate family and work?

Daniel Bell calls our newest business enterprises part of the post-industrial society. Alvin Toffler calls it 'the third wave." Instead of muscle power used in the industrial era, we're using brain power. Where labor and capital were functions of the industrial society, information and knowledge are the vehicles of post-industrial society. We're moving from a goods-producing society to a service sector. Only 30% of our current labor force is in manufacturing, and only 17% of that on production lines. We've got breakthroughs in new fields of science, created out of the technologies of the post-industrial era: computers, data processing, aerospace, petrochemicals, semiconductors, advanced communications, medical instruments. These are replacing the classic industries of coal, rail, textiles, steel, auto, and rubber, leading to higher unemployment in states like Wisconsin, which rely on these industries--the "second wave" industries as Toffler calls them.

The worker has changed also. Look at the air traffic controllers' strike. It is the first time in the history of the labor movement that workers have struck because they've been mismanaged. They are technical workers earning $30,000 a year, and they are concerned about the stress levels, and that they don't get enough vacation time. They're not asking for salary increases. They are highly educated people that are not reticent to express their demands at management. I think that that is a part of a trend of workers being more and more vocal about the way they are being treated at work.

There are external demands on corporations emanating from the community as well. What is happening is that the business enterprise is no longer capable of defining itself solely as an economic unit. In the past, the criticism of business was focused on underpaying workers, overcharging customers, and fixing prices. Today the corporation is being held responsible for everything from air pollution to executive stress; from asbestos poisoning to using poor populations as guinea pigs in drug testing; for racism; for sexism. It's not the issue as to whether these charges are justified, but rather the concepts they imply. A corporation is no longer responsible for simply making a profit or producing goods, but for the simultaneous contributing to the solution of extremely complex ecological, moral, political, social, sexual and racial problems.

We're living in a time of uncertainty, a time of change. Some people call it "a time of parenthesis." Corporations are not immune. There are new games, new rules. Most significantly, where there is uncertainty, there is some individual or some group of individuals who are going to be responsible for making a decision. When you have those decisions being made in a time of uncertainty, that means there must be an element of personal descretion. Discretion does not raise technical, but rather human and social questions and values.

The problem with corporations responding to family concerns is that typically the decision-makers are not those who have been responsible for the care and nurturing of our children. The social aspects of family functioning were not their concern, and hence the issues do not touch them at a personal level. If there is one strategy that I think would be most useful in stimulating corporate involvement in child care, it is to find CEO's who have recently become grandfathers.

The other problem with corporate responsiveness is that managers have been trained not to look at non-work factors as they affect work satisfaction and productivity. One reason is that the classic organizational development literature was done prior to the massive influx of women into the labor force, so that non-work factors have not been looked at.

Secondly, my guess is that the relationship is very difficult to document. If you're trying to look at absenteeism, the weather has a lot to do with why people are absent. The assertions by management that family concerns have nothing to do with worker satisfaction and performance is somewhat contradictory when you consider the fact that one's family role is often used in the hiring and promotion of employees. Sixty percent of all working women are in ten occupations; 80% are in unskilled, semi-skilled or clerical occupations, 19% of them with college degrees.

The distinctions for men and women with regard to family-work conflict are interesting in that for men, family-work conflict occurs when they lose their job. For women, it's when they take one. In addition, for a man, being a family man is a clear sign of stability and maturity, and it affects their promotion decisions. Married women who work are seen as having lower commitment or deflected energy as a result of her family responsibilities. Rosabeth Moss Canner notes that while men symbolically bring two people to their jobs, women are seen as perhaps bringing less than one full-time worker.

It's no wonder that among the personnel officers that I've talked to, many of them say, "We don't hear anything about child care." When women haven't been hired because of their family obligations, they're not about to walk into the work force and wave the banner of motherhood around. It's not unusual that the need for child care is not going to be voiced at the work level.

This brings us to why family and work can no longer be treated separately any more. There may be a new government role, with reduced funds and external pressures, but I think it's the changing demographics and changing economy and some changing values that are affecting the internal operations of the company that are making some companies respond. I think that's why we have a self-interest on the part of the corporate sector to address family concerns: because it effects work.

If there is any pattern or trend that I can find among companies in the United States that have been innovative in their provisions of family supports, it is demand for labor. You've got an educational system that is not keeping apace with technology. Therefore, the "high tech" firms are trying to use child care as a recruitment tool. Banking and insurance industries are having a very difficult time finding clerical workers. In Houston, they pay them between $18,000 and $21,000 and they still can't get them.

Hospitals are perhaps the most scared. They are the largest providers of on-site child care, and are doing so because of a nursing shortage. What is significant about the nursing shortage is that it's not due to the number of nurses we are producing, but due to numbers of inactive nurses, and the numbers that are going to personnel agencies to look for jobs where they get flex-time. But those inactive nurses are largely home because of their family responsibilities. The hospitals are finding that this is an issue they should be addressing.

There's another side to this. There are some cases that I can't put into this "demand for labor" theory. It may be corporate culture; it may be a family-owned business, where family values tend to be incorporated into policy. It may be also because the kind of product or service marketed is not so different from caring for children. Two companies that are the makers of pacemakers, Intermedics in Texas, Cardiac Pacemakers in Minneapolis, have child care centers.

Child care as a recruitment tool, given this demand-for-labor theory, is the most pervasive example of self-interest used by the corporate sector. Unfortunately, there is very little research to document the reduction in turnover, absenteeism, and increased productivity as a result of providing these family benefits. There is some anecdotal evidence. To cite from a study by Katherine Perry of on-site centers, the study found 53 of the centers (from a total sample of 305, many of which did not respond) reported that recruitment was aided; 49 companies with centers said that absenteeism was reduced; 48 said that the attitude toward the employer improved; the attitude toward work was improved in 40 of these companies; turnover was reduced among 34 of the companies; and improved community relations were reported in 29 of the companies.

There is one empirical study to date. Control Data was responsible, with 12 other companies back in 1969, for putting together what was called the Northside Child Development Center. They used largely federal funds, and offered services both to community members and to employees of the companies. They did a study where they viewed absenteeism and turnover for 30 of the employees who were using the center, 30 employees who had children but were making their own arrangements, and 30 employees who did not have children, or whose children were grown. They were separated into two categories: those parents who used the center, and the two groups of parents (60) who did not use the center either because they didn't have children or because they made other arrangements. In the area of absenteeism, they found that for those parents who were using the center, there was a 4.4% absenteeism rate. Among the non-parents, or those not using the center, it was 6.02%. Turnover was even more significant: for the non-parents it was 6.3%, and it was 1.77% for the parents using it. That is the only solid empirical evidence we have to date, and that was done in about 1975.

None of the companies that are providing child care have measured what the impact has been, either on the family or on the company. There are a variety of reasons for that. Sometimes the earliest ones that did it did it because they thought it was the greatest thing since sliced bread. They didn't really care. Take a company like Polaroid with a voucher system. They've got 19,000 employees; 150 have used their voucher system over the nine years it has been in operation. What overall impact are those 150 employees going to have on the 19,000? So they chose not to measure it. Intermedics, though, show that they have saved 1500 man-hours of labor for each child that they serve in their 256-child center.

I don't doubt for a second that child care, or the provision of some attention to family concerns, is going to help some employees. But I think it is important that, even in my own zeal for promoting the notion of supports to working parents, I would not like to over-promise what it could do for the corporation. There are other aspects of the work environment that may be causing turnover, absenteeism, and tardiness. I don't want to say that someone who stands there doing a repetitive job that requires little thought is going to love it because her kids are being well cared for. There are other management initiatives that I think have to be looked at. Child care is a part of it - a piece of it that has to be addressed, but in a context, in a more systemic view.

To the extent that child care is, however, a causal factor in turnover or absenteeism, solving that problem will depend on how well the particular solution that is adopted meets the needs of the employee population being considered. My guess is that most of you only think of starting a day care center. You believe that you are in the business of insurance, or in the business of washing machines, and say to yourself, "What do I know about child care." Well, you're right! And I don't know that you should start a child care center. It may be not only inappropriate for your company, but for your employees as well. There may be a lack of services in the community, and your employees may need services but it may not be a day care center, and it may not be one that is located near work, but rather one located near home. It may be they need family day care. They may need sick child care services; they may need after-school programs.

Maybe there are a lot of services, and the problems that your employees are having are finding it, or figuring out how to select it so that it best meets their needs and the needs of their children. Therefore, information and referral might be a logical option.

They may be confused about parenting. Their stress problems may be related to the fact that their child is rebelling against the fact that they are working. Counseling may better reduce the needs of these parents. Again, if services exist, the biggest problem, especially among the two-wage-earning families, may be in affording what is out there. In that case, perhaps the program sponsored by the employer might be one of financial assistance.

Finally, there is the element of time. We've got a lot of people with two full-time jobs - home and career. For both men and women, I think that helping parents balance home and career can best be done by helping them develop greater flexibility in their time.

These, then are the four different needs that I see in global form, and the ways in which employers might respond. They might respond with services, information, financial assistance, and with time. I'd like to give you some examples of what is happening around the country with regard to these needs of employees and responses by employers.

The first day care center started in the Civil War, with centers also present during World War I and World War II. In the Civil War it was for the manufacturers of gun powder. They were trying to get women to help in the war effort, much like in World War I and World War II. To get them to work, the manufacturers had to have some provision for the workers' children. They chose to do so by providing child care, at the gun powder site. During World War II we had the Lanham Act, which was basically a federally funded program, with sites located near the plants, again to allow women to join the war effort.

Some women did return home after the war, and some remained at work, but the classic notion of the family was really emphasized. I don't think there was much attention to keeping work and family together - they were kept as separate as possible during the 1950's.

During the 1960's, most of the interest lay dormant on the part of the corporate sector. There were some tax initiatives that made it seem as though there was an easy way to make a profit by providing child care. Gerber Foods, Whirlpool, and a few other companies got interested and soon thereafter learned that it was not a very easy thing to do, and their programs closed.

There is a statistic floating around that 80% of all the on-site day care centers that opened between 1960 and 1974 closed. It's a very true statistic, but you should know that the total sample was 18. There was never a lot of it, and those that closed did so because it might have been inappropriate for their employees, or because it wasn't a good program and they chose not to use it. However, many of those centers were in those "second wave" industries such as textiles in the South, and many of those companies went bankrupt. I hardly think they were going to keep their day care center open after they went out of business. They closed for larger macro reasons, rather because of the inappropriateness of day care at the work site.

One of the other problems that some of these centers had was the problem of assessing needs. One of the problems you have when you ask employees if they will use the program that you are planning to build is that you are market-testing a product that doesn't exist; very often, they say "That's terrific, I'd love to!" When you open the doors nobody shows. It often takes up to a year to get a new center off the ground, and some have never filled, and have since closed.

I will say this, though: Where it works, it works beautifully. Stride-Rite has been in existence for eleven years now. They started their center to ease racial tensions in the community. The center is open to community members as well as to employees.

Intermedics, in Freeport, Texas, 50 miles south of Houston, had trouble recruiting employees, and were in an area where there was no day care at all. Then it's the combination of needs: you have to look at community needs as well as needs of your own employee group. Intermedics is perhaps one of the most interesting arrangements for providing near-site child care (about 10

minutes away from the workplace). The day care center is a wholly owned subsidiary, a profit-making entity that they pray operates at a loss so that they can get a 100% tax deduction. The program is very innovative, and is working very successfully. They have 256 children; I had the good fortune to visit there recently. I have been quite averse to large day care centers, and the architecture for that center is magnificent, and it is a beautiful program.

Intermedics is a firm that makes pacemakers. There was one individual at the top of the firm, Mr. A. P. Beutell II. Mr. Beutell died in a plane crash about a week before the center was to open, and the new president kept it up. They are about to expand to a larger infant-care program.

Corning Glass has a center; again, a family-owned business in a rural community where there wasn't much child care.

Jet Propulsion Labs is my best example of why this is not only a women's issue. In California, the Lab has an 80% male population in the workforce, on-site day care, with a waiting list of 150.

Connecticut General has chosen another way of doing it. They have contracted with Kinder Care to open a center which is open to their employees. They are now opening a second center.

Equitable Life Assurance Company has chosen yet another way to work with Kinder Care. They offer employees a 10% or 20% deduction on the costs for child care if they use Kinder Care programs in three cities which have been used as test sites.

Merck Pharmaceuticals in New Jersey was one of the first employee-initiated child care programs. The president of Photo Corporation of America in North Carolina believed that helping women was a very important thing. He was a feminist CEO, and he started a day care center for that reason.

Hoffman-LeRoche, Carlson-Craft in Minnesota, Cardiac Pacemakers in Minneapolis, Lake Tahoe, with casinos open 24 hours a day with some on-site centers, and here in Wisconsin the Playboy Resort are a few examples of the variety of businesses offering on-site care. Fifty percent of all employees work in companies with fewer than 100 employees. Although much of the development of corporate child care is with large companies, we are seeing growing numbers of smaller companies that would like to be responsive to their employees' needs. A consortium arrangement might be the most feasible. There are a few examples of that. There are four TV and radio stations in Washington, D.C. that have joined together. They get a $7,000 loan to renovate a church, and then provide some of the operating funds through the National Academy of TV Arts and Sciences. Perhaps the greatest thing about the Broadcasters' Child Development Center is that they get terrific publicity!

There's Children's Village in Philadelphia, which was started with the help of labor and CETA, and a variety of employers in the dwindling downtown area in Philadelphia. They took some empty warehouses and renovated them and the employees of some 200 garment industries in the downtown area can use the program. There aren't that many corporate dollars going into this system; it's mostly health and welfare pension funds.

Senator McGovern was planning to start a day care center for employees of the Senate, the House, the Library of Congress, and the Supreme Court. That plan has been a little bit held up, but there are some law firms in Washington, D.C. that are looking into forming consortium arrangements, because of their small size.

There are some other innovations. In the big industrial complexes, developers are looking into just putting in a child care program as they start recruiting companies to the industrial park. The Port Authority of New York and New Jersey was trying to recruit companies to their new industrial complex and advertised cheap electricity, good sewage and plumbing, and child care.

Drop-in child care in shopping malls is another innovation. There is a program throughout Texas, called "Check-a-Child." It has been working for three or four years now and doing quite well. Parents get beepers to carry with them while they shop, and there are trained workers at the mall. They have only had one parent in four years who has actually left the child at the mall. It has been working, and is being franchised.

Apartment complexes are another area in which I think there is going to be some innovation. Primarily in housing complexes there has been some talk of Housing and Urban Development starting some day care centers.

We've been talking about day care centers. Family day care is another option. Family day care is the most preferred form of care for children under three. Family day care is where a neighborhood person takes care of up to six children (in Wisconsin, up to eight children) in her own home. A very unique program, which has now gone defunct, I'm sorry to say, is out in Asian Inc in San Francisco. That was a non profit organization which had been serving eleven hospitals, the sheriff's office, and the fire department with family day care homes that they provided by purchasing apartment buildings, and placing a family day care provider in the apartment building. They had one that served after-school children, one that served infants, one that served children with special needs, and they operated like a center - they all went on field trips together. The hospitals, the fire department and the sheriff's office were all contributing in different ways. I believe there were some political problems with the running of the organization and it has since closed; there is another group that is likely to pick it up. It's an interesting concept, and a way to turn it into a self-supporting operation. Asian Inc received equity on the buildings it purchased, and that is how they continued to fund things.

Massachusetts Institute of Technology in Cambridge took the graduate student wives/husbands who come usually from other countries who know that they are in this country for a short period of time, don't want to start a career, have their own children, and the MIT child care office trains these child care workers to be family day care providers, and serves as a referral agency for faculty and employees of the university who need child care. They have about 80 family day care homes being staffed by graduate student spouses.

Illinois Bell is one of the other earlier efforts. It is no longer in existence, I think because of its success. They started an information and referral system, and when they discovered they couldn't place their employees in a child care program they wanted, they created one. They hired the Erickson Institute, a very reputable child development group, to help train welfare

mothers to be family day care providers. As nearly as I can tell from my research, they created a ground swell of support and interest for child care among community-based groups that there is now enough child care, and they didn't need to continue with that operation.

With the issue of school-age services, public schools are the largest provider of day care. It's very interesting as we talk about school strikes and teacher cut-backs, nobody ever asks, "What happens with working parents when schools are closed?" It happens not only in emergencies and on snow days, but it also happens just before and after school. There is a project at the Wellesley College Center on Women that is looking at linkages between public schools and the corporate sector. Perhaps the most innovative example is in Houston, where the number one fringe benefit is van pools, because of the tremendous transportation problems they have. The lack of zoning has created a number of areas where business has cropped up and the downtown businesses are having trouble getting people there. Houston Independent School District has one school located right next to Southwestern Bell. What they've done is taken their van-pool system and they pick up both child and parent in the morning, drop the parent off at work, the child off at school. They have an extended-day program at the school, so at 5:30 the same van takes home both parent and child again. This was all initiated because of energy concerns. The fact remains that it is obviously very helpful to these families.

One of the other times that parents have trouble with their school-age children is during the summer. Felcro, an automotive gasket company in Skokie, Illinois, started a summer day camp for their employees' children. They had a recreation center that they were planning to use for pajama-game-type picnics and it never really got used that much, so they decided to put it to better use. They have the parents bring the children to work, and a bus takes them off to the campsite 40 miles away. They bring them back before the end of the day, have some monitors watch them in the cafeteria until their parents are through with work, and then they go home with their parents. They are now, as a result of this very successful effort over an eight-year period, probably ready to start a day care center.

When a child gets sick, schools are generally not equipped to handle, especially during the winter months, all the sniffles, flu, and colds. Some parents aren't accessible during the day because of their work. Some solutions for sick child care are being developed. Illness of a child is probably one of the biggest causes of absenteeism in some fields. There can be an isolation room at the plant site; you can have emergency family day care homes or centers created for sick children. What has been tried in Minneapolis and Berkeley, (in Berkeley the program is called "Wheezles and Sneezles") a health care worker is sent into the child's home. What they are finding in both places is that parents tend to send their children to day care when they have "just a little fever," "just a little sniffle," give them some aspirin and hope that it goes away. If they are sick enough to stay home, it is more likely that the parent wants to stay home with them. Having a stranger come into the home is probably not the best solution. The only solution might be increased sick leave for parents. The Conference Board reports that only 13% of American companies now provide personal leave time for sick child care leave for their employees.

With regard to the information needs that parents might have: If the services exist, they may not know where to find it or how to select it. Also,

dwindling resources usually means a call for more efficient use of existing resources. Information and referral (I&R) can be provided through a program known as Title XX (twenty) of the Social Security Act. Few states, however, do it. One study has shown that there are about 6300 I&R agencies around the country that provide some sort of assistance for child care. Only 4% of those 6300 agencies have any support from the corporate sector.

These agencies can simplify access to programs, can help determine eligibility, can coordinate programs so that they maximize scarce resources; they provide technical assistance to improve the quality. Perhaps most importantly, they are the key monitors of both supply and demand. They can then feed information into the public sector as to what the needs are.

There are different ways in which companies can respond to the information and referral needs of their employees. They can contract out to a local I&R agency. There are some companies right now in the process of creating the software and the hardware for computerized systems and information and referral. There is a lot of turnover in child care, and it is difficult to keep up to date on what is available, so this sophisticated computerization is required. What then needs to be done is to sell the program to the company or plant.

You can also have this I&R agency come in and train personnel officers to provide the information and referral services. Whether you have it out-of-house or in-house, an example is Steelcase in Grand Rapids, Michigan, an office furniture maker, a family owned business. They hired, as job-sharers, two women who are familiar with the child care community to provide I&R to their employees for a year's time. There is an interesting reason why they chose this strategy over others. They weren't sure that a day care center was going to work. They also were aware of the costs involved in providing a day care center, and the inability, perhaps, of convincing upper management that this was a viable way to go. They used I&R as a way to collect data as to the needs of the employees. It was a way to meet the immediate needs of the employee population in a relatively low-cost way, and also to collect data on future initiatives. I'm finding that this is happening in more and more companies as the way to start getting involved in the issues. It also familiarizes you slowly with some of the complexities of these issues. Mountain Bell in Denver is doing a similar thing, for the same reason.

Another way to house the I&R within an already institutionalized method is through the Employee Assistance Program. Covering about 6½ million employees, these programs were originally started for alcohol counseling and drug abuse. They have since moved into a much broader array of supports to employees, including financial counseling and child care referral. Honeywell is using their Employee Assistance Program for that purpose.

Where I&R needs to get a little more technical and a little more personalized, there is something that is being tried in a number of companies called "Working Parents Seminars." The Texas Institute for Families in Houston has, for the past four years, been providing working parent seminars in over 40 companies around the state of Texas. They go in with brown-bag seminars at lunch time for employees to discuss a range of issues related to such topics as living with an adolescent, and other topics that may be causing stress for the employees.

Wheelock College in Boston is offering a similar program, and at the same time doing a breakfast seminar for executives who are non-parents or whose children have grown, to familiarize the executives with some of the issues. This is a non-threatening way to raise the issues, and get discussion moving.

The other need is money - financial assistance. Child care is typically 10% of the family budget. It is the fourth largest budget item, fourth only to food, housing and taxes. It is a sizable chunk of one's wages, and, interestingly enough, it goes up the lower your income is.

There are some very innovative ways to respond to the employee's financial needs for child care. One is a voucher system. Polaroid, mentioned earlier, has a subsidy program and the Ford Foundation in New York City also has one, called a "child care allowance". For both Polaroid and Ford, those employees with less than $25,000 family income are eligible to receive some subsidy from the company. The company will pay a portion of the cost of their child care. The two programs operate very differently. Polaroid reimburses the provider directly, and Ford Foundation includes the reimbursable amount in the paycheck of the employee. Ford's program has been taxable; Polaroid's has not. With the new dependent care tax credit, that's likely to change. Ford's won't be taxable.

Austin, Texas has an excellent program with good maximization of available resources. You have the city with the manpower to administer a program, and employers in the community are providing the funds to run it. Two or three companies have agreed to put up the funds and help support their employees in the placement of children in child care.

The purchase of slots in existing programs is another way to help with a financial system. Orlando County Florida has a high migrant population. Growers don't want to start a day care center because of the seasonal nature of demand. The growers have contracted with the Orlando County Community Coordinated Child Care (4C), and pay up-front a certain amount of money to guarantee spaces in a couple of hundred child care centers and family day care homes that 4C operates and administers. Where employees are eligible for public subsidies, that amount gets applied first, but where it is not applicable 4C takes the funds from their revolving base they've got from the employers to pay for the cost of care. It's working with about three growers in Florida who have contracted with 4C.

A different approach is taken by Polaroid; that company pays a few centers to open earlier, paying the cost of additional utilities and staff time that would be necessary to do so. There is a sausage maker in Wisconsin that does the same, to open at 4 a.m. for shift workers.

The fourth need that I mentioned was that of time. Thirteen percent of all non-government organizations currently have flex-time. This covers about 6% of all workers, or between two- and four-million workers in American companies.

Between 1965 and 1977, part-time work increased three times more rapidly than full-time work. Eighty percent of all part-time workers are women; 8% of all jobs are part-time. Perhaps the biggest problem with part-time work as I see it is that while it might help families, there are usually no benefits provided. That is typically the case because the trend was that the part-time

worker was a spouse who wanted to get out of the house for a few hours and whose husband usually had a complete set of benefits. This is no longer the case, and the issue of benefits for part-time workers is a new issue.

Job-sharing is a form of part-time work. All job-sharing is part-time, but not all part-time jobs are job-shared. You do have two people trying to coordinate their hours. My discussions with companies indicate that they are really not interested, that they can get the work force that they want, that they see it is an administrative burden. There are some organizations like New Ways to Work and their 14 affiliates around the country who are trying to promote this concept. If you look at General Mills' findings, they are astounding: 65% of professional women said that they prefer working part-time. It may be that professional jobs are in fact more amenable to job sharing. If it is made available on demand, as it has been in some law firms, it may be something we can look forward to in the near future.

Maternity leave is another issue that relates to time, the time it takes to create that bond that is so crucial between parent and infant, and have some economic security in the progess. The only comparison that I can make for you is that the United States is absolutely dismal in its maternal health policies compared with every other industrialized nation in the world. In some countries maternity leave is a strain, but it's a value, an attitude more than it is an administrative dilemma.

The other issue of time, perhaps the most open form of flex-time is something we could call flex-place. Continental Bank of Chicago, as a result of high-technology, enables their employees to work at home. Alvin Toffler predicts that by the year 2000, 40% of all Americans will be working at home. He calls it the "electronic cottage," because they can tap into all the computer terminals. He also cautions us that if both spouses are going to be home all the time, you are going to chose your spouse on very different grounds than you do now!

Some of these changes may be less sweeping than benefit changes. We may just start paying attention to the fact that you don't tell a worker at 5:00, "I need this by 9:00 in the morning." That's a form of stress, of non-support. It may mean not having meetings on Saturday or Sunday, or in the evenings. Dun and Bradstreet has reported an 80% increase in companies reporting difficulty in getting their executives to relocate. Only 10 years ago, there used to be a memo on a desk saying, "You will report to Chicago by December 10." You can't do that anymore. You are finding resistance among top qualified people.

One of the key messages that I want to leave with you is that these efforts suggest only the realm of possibility. There are so many more initiatives, so many more unique needs that can be identified, and you need solutions to them. It's an exciting time. It's also a time of risk-taking: entrepreneurial spirit and a competitive age. As Amory Host at Corning Glass said, "One percent of all companies want to be first; 99% want to be second."

I think we are still getting the 1% of companies to acknowledge that this is something worthwhile to invest in. I do believe in the inevitability of it, some 15 or 20 years down the road. The futurists are all talking about more services at the workplace, and I think this is one of the first ones because of its potential impact on little children.

You people here, it's my guess, probably represent the more forward-thinking managers, those who can accept innovative solutions to today's problems and preventive solutions for tomorrow's. It's a time for flexibility, because of all the uncertainty, and because of all the changes, in both hours and policies. Fringe benefits were designed with the male breadwinner in mind. American Can Company recognized that only 20% of their employee population fit that Wheaties box-top cereal ad with the mother at home with the two kids and the father at work. It's only 14% of the American population that does fit that picture, by the way. At American Can, where the figure was 20%, they realized there was a lot of wastage in their benefit package. They adopted a system of flexible benefits as a result. That is something that will be a part of the new way of approaching family supports. I have yet to talk with a company that is not interested in it, recognizing the benefits of it. There are some administrative complexities, some legal and tax issues with regard to vested and non-contributory packages, a lot of complex issues. I understand Prudential has just bought a sub-company to look into the software and hardware of flexible benefits. Some of the more reputable benefit consulting firms are also trying to promote it. Only six companies in the United States have flexible benefits, and none of them have the innovations I've talked about here. I do believe that its advantage is that it solves the issue of equity, which is one of the big stumbling blocks for some companies that ask how child care benefits relate to non-parent employees. The companies that I've spoken to and have asked whether it is a problem with non-parent employees say no (but I don't think they're going to say yes, and I don't want to lead you astray: it does come up).

Some companies have suggested that we might be over-paternalistic if we get involved with family concerns. My response to that is that the standard hours and one benefit package are far more paternalistic than allowing flexibility.

I also want to say that these developments have to go slowly, and that's why I encourage you to think of issues and look at information and referral in seminars, just to educate yourselves and employees as to what can happen. I think there will be an incremental approach to solving some of these newer problems and their more unique solutions. Charles Lindblom, an analyst and policy maker, said that policy making is typically a never-ending process of successive steps, of which continual nibbling is usually a substitute for a good bite. I think that is what is going to happen here in the private sector. I think it would be wise to go slowly, and not build a million-dollar day care center when up the block there is a center that has been doing terrifically but just lost 20 slots because of government cut-backs. Look at an innovative way of building on and supporting that system that may have been in place for the last several years.

As you figure out the justification for your company's involvement, whether it be corporate social responsibility or some form of enlightened self-interest, I urge you to remember that, in the long run, right now we are making decisions about the quality of care for children, who will soon be making decisions about the quality of our care. And I think that's real enlightened self-interest.